GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:734
ANSWERED ON:22.11.2002
SIMPLIFICATION IN THE LAWS OF SEZ
C. SREENIVAASAN;PUTTASWAMY GOWDA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether the N.K.Singh Committee has recommended simplification of laws governing Special Economic Zones;

(b) if so, the details thereof;

(c) the action taken on the recommendations of the Committee; and

(d) if not, the reasons for not accepting the recommendations?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) : Steering Group on Foreign Direct Investment headed byShri N K Singh inter-alia recommended removal of investment restriction, International standard financial regulations, treatment of SEZ as foreign territory under Customs Laws, liberalised policy in power and enactment of SEZ laws by the State Governments

(c) & (d) : The SEZ policy is under constant review and the recommendations made by the N.K.Singh Committee are also be kept in view appropriately. The steps taken by the Government to promote SEZs include 100% FDI in manufacturing sector through automatic route barring a few sectors, exemption from Industrial licensing requirement for items reserved for SSI sector, external commercial borrowing without any maturity restriction through recognized banking channels; facility to set up of Overseas Banking units in SEZ, recognition of foreign territory status of SEZ in Customs Act,announcement of policy guidelines on generation, transmission and distribution of power in SEZs.While the Government of Uttar Pradesh has enacted a State SEZ Act on 7.9.2002, the Governments of Maharashtra, Madhya Pradesh, Karnataka, Gujarat and Andhra Pradesh have announced their policy on SEZs.